



MSRP E-NEWS

A newsletter from the Board of Trustees of the Maryland Teachers & State Employees Supplemental Retirement Plans

MSRP Board Cuts Fees Again

The Board of Trustees for the Maryland Supplemental Retirement Plans has approved a reduction of the asset fee from the current 30 basis points (0.30%) to 28 basis points (0.28%) effective January 1, 2006. This will be achieved by reducing the MSRP share of the asset fee from 7 basis points (0.07%) to 5 basis points (0.05%). The Nationwide Retirement Solutions share of the asset fee will remain the same, at 23 basis points (0.23%).

We project that this fee reduction can save participants over \$400,000 in asset fees during the 2006 calendar year.

The asset fee is the amount paid by participants to fund the cost of the plans, since state law requires that the program be self-supporting and receive no tax dollars.

"Continued growth of the plans and a modest reduction of Board expenses make another participant asset fee reduction possible" explains Michael Halpin, MSRP executive director. "The Board makes it a high priority to keep participant costs down while providing excellent retirement savings plans with educational and other helpful services included."

Over the last 2 years, the Board has cut the MSRP share of the asset fee by more than 50%. It stood at 11 basis points (0.11%) in January 2004. The Board continues to look for ways to improve services to participants while keeping costs as low as possible.

Contribution Limits Increase for 2006

The contribution limits for the 401(k), 457, and 403(b) increase to \$15,000 for calendar year 2006. Keep in mind that you may actually contribute up to twice that amount - \$30,000 – all pre-tax, by maxing out a 457 and either a 401(k) or 403(b)!

If you will turn 50 during 2006, or are already 50 or older you can make a bonus (catch up) deferral of up to \$5,000 per plan, for a total limit of \$20,000 per plan.

Should you want to do more during the three years prior to the year you retire, check with a Nationwide Retirement Solutions (NRS) representative to see if you can double-up your 457 contributions.

To increase your deferral amount, complete a Deferral Change form (usually available from your benefit coordinator), or call NRS Customer Service at 1-800-545-4730 or go to www.MarylandDC.com if you have your account set up online. Please remember it generally takes 2 pay periods for a change to go into effect.

***Regional Financial and Personal Financial
Workshops are BACK for 2006!***

At MSRP, it is our mission to provide quality investment education to all state employees to enable them to successfully plan for their future financial needs. Whether an employee wants to plan for education costs of their children or to buy that retirement home, MSRP is dedicated to providing State employees with the tools, resources and information they need to create their own saving and investment plan. In keeping with our agency mission, we will once again be offering our Regional Financial and Personal Financial Workshops in the New Year.

The **Regional Financial Workshop** was created based on the desire expressed by employees wanting to explore a more varied financial education. This seminar provides diverse education and training on the basic tools of budgeting, insurance, the need for good credit and how to use it to their benefit. This seminar also provides the participant with insight into basic investing and how to use this to better understand the 457(b), 401(k) and 403(b) supplemental plans offered by the Maryland Supplemental Retirement Plans. This workshop is an all day event and is perfect for employees who have between 0-5 years with the State and who want to learn more about the benefits of enrolling into our tax-deferred investment plans.

The **Personal Finance Workshop** is targeted to **mid-career** State employees who want to get a better understanding of their overall financial health. Like the Regional Financial Workshop, this workshop provides the employees with the basic tools of budgeting, insurance and insight into basic investing. In addition, this workshop provides the employee with information regarding their state pension plan, financial planning education from an outside financial representative and an in-depth discussion of the supplemental plans from both the MSRP field staff and NRS enrollers. This workshop is ideal for those state employees curious about enrolling into our plan and for those who are enrolled, but wish to have a better understanding of how their money is allocated/invested and how to adjust and manage their accounts to fit their specific financial needs at retirement.

If you are interested in attending one these workshops, please contact your agency's Benefits Coordinator for registration forms or email your interest to the attention of Janet Wilt at personalfinance@msrp.state.md.us.

Regional Workshops

Jan. 26	Howard County Health Department
Feb. 13	Department of Agriculture, Annapolis
March 23	Eastern Shore Hospital, Cambridge
March 31	Department of Agriculture, Annapolis
April 18	Potomac Center, Hagerstown
May 12	Eastern Shore State Hospital, Cambridge
June 27	Department of Transportation Headquarters, BWI (Hanover, MD)
Sept. 22	Towson University Union, Towson

Personal Finance

Jan 18	State Center, Baltimore City
Jan 19	Department of Agriculture, Annapolis
March 14	Eastern Shore State Hospital, Cambridge
April 12	Potomac Center, Hagerstown
April 19	St Mary's County Department of Social Services
June 8	State Center, Baltimore

All dates subject to change based on room and speaker availability.
Remainder of fall schedule to be arranged in the summer.

Participant Testimonials!

State Employees really seem to get a lot out of our financial planning seminars. Just read what fellow employees had to say about our Regional and Personal Finance Workshops:

"This type of workshop helps one to realize how responsible they need to be over their finances now and in the future. For me, it is time to plan!"

"I have gained more than dollars today. It has been a good investment of my time. Thank you."

"Thanks for the education towards my retirement process. This should be required for all state employees to attend."

"I have been employed 20 years with the State, and never have I had an understanding of what things are all about until today."

"Information was extremely helpful in trying to understand my financial and retirement planning."

Annual Benefit Coordinator Academies were a Success!

In December, MSRP conducted its annual Coordinator Academy held on December 5th in Annapolis and December 19th in Pikesville. These annual Academies were launched six years ago in an effort to strengthen relationships with the state's nearly 300 agency benefit coordinators. Benefit Coordinators know their agencies best although their responsibilities are plentiful. We are appreciative that our state's benefit coordinators assist in getting the word out on the supplemental retirement plans and answering questions related to investing and retirement planning. Our Academies' mission is to provide financial and retirement education to our coordinators with the most up-to-date information pertaining to MSRP—from plan enrollment to retirement distribution.

Despite the inclement weather, most Coordinators were able to make it to the event where they learned the basics of the 457, 403(b), 401(k) and 401(a) match plans as well as topical information on employee eligibility, enrollment, fee structure and distribution requirements.

The day's program engaged the crowd with lively speakers from Nationwide Retirement Solutions, a financial planning firm and a seasoned attorney in the area of Elder Law who discussed the importance of saving for long-term care, the necessity of Powers of Attorney, guardianships and securing your assets when applying for assisted living subsidies.

Seasoned Benefit Coordinator, Larry Glose from DHR was most pleased with all the speakers. *"I felt that I learned a lot of practical information today that I can take back to my agency and share with my employees."*

Also discussed were the various educational seminars offered by MSRP for state employees at various levels of their careers. MSRP encouraged all Benefits Coordinators to utilize MSRP's free investment workshops and seminars to educate their employees on the importance of saving and investing for retirement and higher education purposes.

Say Hello to the Newest Member of Our MSRP Family

Please join us in welcoming Cheryl Wyngarden, our newest Financial Field Representative!

Cheryl was born, raised and still resides in Baltimore County. She graduated from the University of Maryland, College Park with a degree in Government and Politics, and is an active member of Phi Sigma Theta, a National Honor Society. For over 5 years, Mrs. Wyngarden was a Retirement Counselor with the State Retirement and Pension System of Maryland and brings to this position her extensive understanding of all state employee pension system regulations, giving her an enhanced ability to relate to the member regarding all aspects of their retirement. Mrs. Wyngarden is currently pursuing her certification as a Certified Retirement Counselor (CRC) as well as her Masters in Public Administration. Cheryl is recently married and volunteers her service to the StoryTimer's Reading Program through Baltimore County Public Library, where she reads books and performs short plays for children.

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